

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

KEYSPAN ENERGY DELIVERY
RESPONSE TO
ATTORNEY GENERAL'S SECOND SET OF INFORMATION REQUESTS

D.T.E. 06-54

Respondent: Nancy G. Culliford

Date: September 15, 2006

Information Request AG-2-2

- Q. Identify all of the contracts to serve the Company's Cape Cod service territory, provide the contracts governing the rights to those volumes, and explain whether the Company has discussed its plans to replace those contracts or any other contracts that will expire with Algonquin.**
- A. Please see Attachment AG 2-2, which is a listing of the transportation contracts held by the Company to serve customers on the KeySpan system, including those customers situated on Cape Cod. As explained in previous proceedings, the Company manages its gas-supply resources on a consolidated basis and possesses a high level of flexibility in the use of resources within the portfolio because of the interchangeability of contractual entitlements held by the Company. See e.g. KeySpan Energy Delivery, D.T.E. 04-62 (2004) (establishing a consolidated cost of gas adjustment factor for the KeySpan distribution companies in Massachusetts). The listing provided in Attachment AG 2-2 includes the expiration dates and volumes available under each contract. In terms of contracts that come up for expiration, the Company always takes the opportunity to evaluate the possibility of replacing existing resources with other alternatives that provide price and/or non-price benefits, while also ensuring the requisite level of reliability.

In response to Information Request AG-2-1, the Company provided a listing of the contracts that are held on the Algonquin G Lateral. With respect to these specific contracts, two contracts expire in 2007 and the remaining contracts expire in the 2012-13 timeframe. The Company is required to provide notice to Algonquin by October 31, 2006 for the two contracts set to expire on October 31, 2007. Any determinations regarding the renewal of these resources will follow the process set forth in the Supply Plan pending before the Department in D.T.E. 05-68.